

CLERK: Mr. President, I have an amendment. The amendment is offered by Senator Goodrich. It can be found on page 469 of the Legislative Journal. The amendment reads as follows: read amendment.

PRESIDENT: Senator Goodrich.

SENATOR GOODRICH: Mr. President, members of the body, this is the amendment that takes care of a problem that the construction industry has. For example, if a contractor has already negotiated a contract and is committed to a set price to build a building, and then, because of the passage of this bill, he now has to pay an extra half percent on the purchases of the material that go into the building. This would entitle him to apply for a refund of the extra half a percent for only the contracts that were negotiated and signed during the course, and he had to pay the extra tax on those contracts. The State Department of Revenue would examine each of those contracts and determine whether or not the contractor wasn't eligible. Only contracts that were caught where they had signed the contract prior to this going into effect. Once we've gotten through those particular contracts this would no longer be of any effect. We did this same thing when we put the original sales tax on the books. We provided that any contracts in existence, any construction contracts in existence that existed at the time that that went into effect would automatically get a refund or be exempted from this particular tax. Once we get through with these particular contracts then they build in the extra half point in all of their construction costs and there is no force in effect anymore. I move the adoption of this amendment.

PRESIDENT: Senator Schmit, did you wish to speak on this amendment or on the bill? Senator Dworak, on this amendment or the bill?

SENATOR DWORAK: Mr. President, colleagues, we have a financial crisis in Omaha that requires, or some people feel that it requires an additional half percent sales tax, which results in erosion of the tax base. Right away Senator Goodrich is coming forward to start excluding people from that particular one-half percent sales tax increase. On one hand he's crying that we need additional money, we need additional revenues, we've got a crisis, there is no other solution, no other solution but to erode the tax base. On the other hand he says let's erode the tax base, let's take out contractors, let's not let them come in with the half percent increase, let's make an exception and exclusion. This is just absolutely folly. This is absolutely insanity. We can't have it both ways. We want more money for more services, but nobody wants to pay for them. So we start eroding, we start excluding. I can't accept this amendment. I can't even accept the bill. But if the bill is going to go, which I have a strong suspicion it is, then by all means this amendment shouldn't go. We shouldn't start eroding the very thing that we're attempting to accomplish. This amendment is an antithesis to the intent of the bill. We want a half a percent additional sales tax in the City of Omaha, but not for everybody, not for the people that are coming in from Columbus, or from Fremont, or from Beatrice who may make a purchase in Omaha. We don't want to exclude those people. But we want to exclude those contractors in the City of Omaha that have construction in process. Now, apparently,